

SUBCOMMITTEE 4

FINAL ACTION REPORT

LEGEND: The *Senate* column shows changes to the Governor's January budget proposal, as adopted by the Senate in May. The **AB 425** column indicates whether the Senate action was sustained (Adopted) or an alternative action was taken when the Senate passed the budget on June 29th and August 31st.

Senate Budget and Fiscal Review

Members

Richard Polanco, Chair

Joseph Dunn

Dick Ackerman

Consultants

Alex MacBain

Judi Smith

Senate**AB 425****0110 SENATE**

- | | | |
|---|------------|---------|
| 1. Reduced by \$1.3 million (GF) to conform with Proposition 140. | -1,289,000 | Adopted |
|---|------------|---------|

0120 ASSEMBLY

- | | | |
|---|------------|---------|
| 1. Reduced by \$1.8 million (GF) to conform with Proposition 140. | -1,750,000 | Adopted |
|---|------------|---------|

0130 LEGISLATIVE ANALYST

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|---|--|--|
| 1. Approved as budgeted – internal schedule change. | | |
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0160 LEGISLATIVE COUNSEL BUREAU

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| 1. Augmented by \$2 million (GF) for reapportionment litigation. | 2,000,000 | Adopted |
| 2. AB 425 reduced by \$154,000 (GF) for savings related to aligning Legislative Counsel Bureau holidays with Legislative holidays. | | -154,000 |

Trailer Bill Language

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|---|--|---------|
| 1. Conference committee provides that Legislative Counsel Bureau holidays will align with Legislative holidays. | | Adopted |
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0500 GOVERNOR'S OFFICE

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|---|----------|---------|
| 1. Reduced by \$200,000 (GF) per May Revision. | -200,000 | Adopted |
| 2. Augmented by \$711,000 (GF) to reflect transfer of Executive IT Funds from DOIT. | 711,000 | Adopted |

0505 DEPARTMENT OF INFORMATION TECHNOLOGY

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|----------------------------|--|------------|
| 1. AB 425 deleted funding. | | -8,811,000 |
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Senate

AB 425

0510 SECRETARY FOR STATE AND CONSUMER SERVICES

1. Approved as budgeted.

0520 SECRETARY FOR BUSINESS, TRANSPORTATION, AND HOUSING

1. Approved as budgeted.

0550 SECRETARY FOR YOUTH & ADULT CORRECTIONAL AGENCY

- | | | |
|---|---------|---------|
| 1. Approved reductions of \$51,000 (GF) for various reductions to OE&E. | Adopted | Adopted |
|---|---------|---------|

0552 OFFICE OF THE INSPECTOR GENERAL

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|--|---------|------------|
| 1. Approved reductions of \$366,000 (GF). | Adopted | Adopted |
| 2. Rejected Finance Letter proposing a reduction of \$1 million (GF) and 10 positions. The Conference committee approved the proposed reduction. | | -1,000,000 |

0650 OFFICE OF PLANNING AND RESEARCH

- | | | |
|---|----------|----------|
| 1. Reduced by \$372,000 (GF) per May Revision for unallocated reduction to support. | -372,000 | Adopted |
| 2. Augmented by \$766,000 (GF) to reflect transfer of Executive IT Funds from DOIT. | 766,000 | Adopted |
| 3. AB 425 eliminated funding for the Office of Innovation in Government. | | -394,000 |

Trailer Bill Language

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|--|---------|---------|
| 1. Rejects DOF language that would have reduced Cesar Chavez Day grants by \$800,000 (GF). | Adopted | Adopted |
| 2. Provides that the applicant pool for Cesar Chavez Day grants shall include community based organizations. | Adopted | Adopted |

Supplemental Report Language

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|--|---------|---------|
| 1. Requires OPR to report on expanding the Cesar Chavez grants to CBOs by January 1, 2004. | Adopted | Adopted |
|--|---------|---------|

Senate

AB 425

0750 LIEUTENANT GOVERNOR

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|---|---------|---------|
| 1. Reduced by \$50,000 (GF) per May Revision. | -50,000 | Adopted |
|---|---------|---------|

0840 STATE CONTROLLER

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|--|-----------|---------|
| 1. Augmented by \$1.1 million (\$472,000 GF) for postal rate increase per May Revision. | 1,073,000 | Adopted |
| 2. Augmented by \$1.1 million (GF) for extension of the Unclaimed Property Amnesty Program through December 31, 2002 per May Revision. | 1,064,000 | Adopted |
| 3. Augmented by \$326,000 for warrant remittance advice production volume and postage rate increase. | | 326,000 |

Trailer Bill Language

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|--|--|---------|
| 1. Reduces the interest rate on overpayments of corporate tax, unclaimed property tax, and estate tax. | | Adopted |
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0841 INFORMATION TECHNOLOGY PROJECTS

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| 1. Approved as budgeted. | | |
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0845 DEPARTMENT OF INSURANCE

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|--|------------|---------|
| 1. Shifted funding source for administration of the Gross Premiums Tax from the GF to the Insurance Fund per May Revision. This reduces GF expenditures by \$1,767,000. | | Adopted |
| 2. Augmented \$628,000 (Insurance Fund) to implement Chapter 6, Statutes of 2002, per May Revision. | 628,000 | Adopted |
| 3. Approved a \$10 million loan from the Insurance Fund to the GF. | 10,000,000 | Adopted |
| 4. Augmented by \$1.3 million (Insurance Fund) for local prosecuting agencies that participate in the Organized Automobile Fraud Activity Interdiction Program per Finance Letter. | 1,330,000 | Adopted |

Senate

AB 425

Budget Bill Language

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|--|---------|---------|
| 1. Provides that it is legislative intent that the administration of the Gross Premiums Tax shall be funded from the Insurance Fund until June 30, 2005, at which time funding shall be from the GF. | Adopted | Adopted |
| 2. Provides that the loan shall be repaid with interest and that the current and newly authorized programs supported by the fund be fully and timely implemented. Provides a repayment date of no later than October 1, 2004 for the loan. | Adopted | Adopted |
| 3. Authorizes three new exempt positions in the Department of Insurance. | Adopted | Adopted |

0850 LOTTERY COMMISSION

1. Approved as budgeted.

0860 BOARD OF EQUALIZATION

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|---|---------|
| 1. Restored Customer and Taxpayer Services Division positions and substituted other positions per May Revision. | Adopted |
| 2. Reappropriated \$639,000 (GF) to fund capital outlay and two new exempt positions for Board Members. | 639,000 |

Trailer Bill Language

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| 1. Conference committee authorizes testing of cigarette tax stamp indicia. | Adopted |
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Supplemental Report Language

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|---|---------|
| 1. Conference committee requires BOE to report annually on their audit and compliance activities. | Adopted |
| 2. Conference committee requires BOE to report annually on the allocation of investigation resources. | Adopted |

Senate

AB 425

0890 SECRETARY OF STATE

- | | | |
|---|------------|------------|
| 1. Reduced by \$950,000 (GF) per May Revision. | -950,000 | Adopted |
| 2. Reduced by \$8,267,000 (GF) to reduce funding for three mandates to \$2,000 per mandate per May Revision. AB 425 provided \$1,000 rather than \$2,000 per mandate. | -8,267,000 | -8,270,000 |
| 3. AB 425 transferred \$ 3 million from Business Reinvestment Fund to the General Fund. | | -3,000,000 |

Budget Bill Language

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|---|---------|---------|
| 1. Conference committee specifies that the reduced funding does not suspend the requirements mandated by statute. | Adopted | Adopted |
|---|---------|---------|

Trailer Bill Language

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| 1. AB 1768 creates two new exempt positions to be appointed by the Governor. | | Adopted |
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0950 STATE TREASURER

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| 1. Reduced by \$220,000 (GF) for two positions related to the proposed Tobacco Securitization Bond Program. AB 425 restored funding. | -220,000 | |
| 2. AB 425 reduced by \$3.5 million (GF) for mandate reimbursement for investment reports for cities and counties. Funding is deferred. | | -3,520,000 |

0954 SCHOLARSHARE INVESTMENT BOARD

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|---|------------|-------------|
| 1. Reduced by \$8 million (GF) to reflect lower than anticipated participation in the Distinguished Mathematics and Science Scholars Program per May Revision. AB 425 reduced by an additional \$3 million. | -8,000,000 | -11,000,000 |
| 2. Reverted \$4 million (GF) to reflect lower than anticipated participation in the Distinguished Mathematics and Science Scholars Program in the current year per May Revision. | -4,000,000 | Adopted |
| 3. AB 425 deferred payment of \$ 89 million (GF) of the \$114 million proposed for Governor's Scholarships for one year. | | -89,000,000 |

Senate

AB 425

0956 CALIFORNIA DEBT AND INVESTMENT ADVISORY COMMISSION

1. Approved as budgeted.

0959 CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE

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|---|------------|
| 1. AB 425 approved a loan of \$ 2 million from the California Debt Limit Allocation Committee Fund to the General Fund. | -2,000,000 |
|---|------------|

Budget Bill Language

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|---|---------|
| 1. Provides a repayment date of October 1, 2004 for the loan. | Adopted |
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0965 CALIFORNIA INDUSTRIAL DEVELOPMENT FINANCING ADVISORY COMMISSION

1. Approved as budgeted.

0968 CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE

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|---|-------------|------------|
| 1. Augmented loan from the Occupancy Compliance Monitoring Account to the GF from \$20 million to \$30 million. AB 425 increased the loan by an additional \$5 million to \$35 million. | -10,000,000 | 15,000,000 |
| 2. Augmented loan from the Tax Credit Allocation Fee Account to the GF from \$20 million to \$25 million. AB 425 increased the loan by an additional \$2 million to \$27 million. | -5,000,000 | -7,000,000 |

Budget Bill Language

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|--|---------|
| 1. Provides a repayment date of October 1, 2004 for both of the loans. | Adopted |
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0971 CALIFORNIA ALTERNATIVE ENERGY AND ADVANCED TRANSPORTATION FINANCING AUTHORITY

1. Approved as budgeted.

Senate

AB 425

0974 CALIFORNIA POLLUTION CONTROL FINANCING AUTHORITY

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|---|------------|---------|
| 1. Augmented loan from the California Pollution Control Financing Authority Fund to the GF from \$20 million to \$25 million. | -5,000,000 | Adopted |
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Budget Bill Language

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|---|--|---------|
| 1. Provides a repayment date of October 1, 2004 for the loan. | | Adopted |
|---|--|---------|

1100 SCIENCE CENTER

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| 1. Reduced by \$1.1 million (GF) per May Revision. | -1,100,000 | Adopted |
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Budget Bill Language

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| 1. Requires the Department of General Services to establish a competitive pre-qualification process for subcontractors for live plant and plumbing, electrical and habitat construction services. | | Adopted |
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Supplemental Report Language

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| 1. Requires CSC to report by January 10, 2003 on the status of raising private funds for Phase II of the Environmental Science Project. | | Adopted |
| 2. Requires CSC to report on alternatives for charging normal parking fees on event days for individuals or families attending the museum. | | Adopted |

1111-1600 DEPARTMENT OF CONSUMER AFFAIRS

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|--|-------------|-------------|
| 1. Approved Finance Letter to transfer \$50 million from the High Polluter Repair or Removal Account (HPRRA) to the General Fund. | -50,000,000 | Adopted |
| 2. Denied Finance Letter to reduce funding of \$100,000 (GF) for Office Of Privacy Protection. AB 425 reduced the funding by \$100,000 (GF). | 100,000 | |
| 3. Increased loan from the Vehicle Inspection and Repair Fund to the GF from \$70 million to \$95 million. AB 425 increased the loan to \$100 million. | -25,000,000 | -30,000,000 |
| 4. Reduced by \$74,000 (GF) for unallocated reduction to the Athletic Commission per May Revision. | -74,000 | Adopted |
| 5. Augmented by \$200,000 (GF) for the Athletic | 200,000 | Adopted |

	Senate	AB 425
Commission to implement a program to regulated Mixed Martial Arts, estimated to generate revenues of \$700,000 (GF).		
6. Increased loan from the Contractors' License Fund to the GF from \$11 million to \$17 million.	-6,000,000	Adopted
7. Approved Finance Letter for the Board of Dentistry, Medical Board, Osteopathic Medical Board, and the Board of Pharmacy to reimburse the Department of Justice for 50 percent of the maintenance of the CURES database system. AB 425 provided that the Boards reimburse 100 percent of the costs.	125,000	249,000
8. Approved Finance Letter for the Board of Dentistry to contract with DCA for an Enforcement Program Monitor for \$100,000 (Dental Fund).	100,000	Adopted
9. Increased loan from the Dental Fund to the GF from \$5 million to \$7 million. AB 425 deleted the additional \$2 million loan amount.	-2,000,000	
10. Approved Finance Letter to augment by \$309,000 to implement a licensing program for pharmacies that compound sterile injectable drugs.	309,000	Adopted
11. Approved Finance Letter to augment by \$364,000 (Registered Nursing Fund) for the Nursing Workforce Initiative.	364,000	Adopted
12. Increased Loan from the Registered Nursing Fund to the GF from \$5 million to \$10 million. AB 425 increased the loan to \$12 million.	-5,000,000	-7,000,000
13. Increased the loan from the State Board of Barbering and Cosmetology Fund to the General Fund from \$7 million to \$9 million.		-2,000,000
14. AB 425 approved a loan from the Accountancy Fund to the General Fund of \$6 million.		-6,000,000
15. AB 425 approved a loan from the Behavioral Sciences Examiners Fund to the General Fund of \$6 million.		-6,000,000
16. AB 425 approved a loan from the Psychology Fund to the General Fund of \$5 million.		-5,000,000
17. AB 425 approved a loan from the Osteopathic Medical Board Fund to the General Fund of \$2.7 million.		-2,700,000
18. AB 425 approved a loan from the Pharmacy Board Fund to the General Fund of \$6 million.		-6,000,000
19. AB 425 approved a loan from the Structural Pest Control Fund to the General Fund of \$2 million.		-2,000,000

Senate

AB 425

Budget Bill Language

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|---|---------|
| 1. Provide that the Bureau of Barbering and Cosmetology shall work with the Advisory Committee in selecting a site for the Los Angeles exam site relocation. | Adopted |
| 2. Provide that the loan from the Contractors' License Fund to the GF be repaid by September 2003. | Adopted |
| 3. Require the Medical Board to designate a staff liaison to work with International Medical Graduates and the programs devoted to facilitating their licensure and re-entry into the medical profession within existing resources. | Adopted |

Trailer Bill Language

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|--|---------|---------|
| 1. Clarifies that the Athletic Commission has the authority to regulate Mixed Martial Arts. Conference committee deleted language. | Adopted | |
| 2. Requires the Bureau of Barbering and Cosmetology to issue same-day licenses. | Adopted | Adopted |

1700 DEPARTMENT OF FAIR EMPLOYMENT AND HOUSING

1. Approved as budgeted.

1705 FAIR EMPLOYMENT AND HOUSING COMMISSION

1. Approved as budgeted.

1730 FRANCHISE TAX BOARD

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|--|-----------|---------|
| 1. Approved budget proposal to augment by \$4.6 million (GF) for increased audit staff to generate revenues of \$52 million (GF). | Adopted | Adopted |
| 2. Approved budget proposal to augment by \$6.2 million (GF) for increased collection activities that will result in revenues of \$27.5 million (GF). | Adopted | Adopted |
| 3. Augmented by \$3.8 million (GF) to increase collection activities of accounts above the 5:1 benefit/cost ratio per May Revision. This is estimated to increase GF revenues by \$11.6 million for a net gain of \$7.8 million. | 3,800,000 | Adopted |

	Senate	AB 425
4. Augmented by \$260,000 (GF) and 2 staff attorneys to work multiple issue protest cases involving \$5 million in tax per May Revision. This is expected to generate \$3 million in GF revenue in 2002-03 and \$64.5 million in 2003-04.	260,000	Adopted
5. Denied Finance Letter to augment by \$799,000 (GF) to collect \$4 million by pursuing taxpayers that do not file tax returns by have imputed tax liabilities over \$100. Currently FTB pursues taxpayers with imputed liabilities over \$200.		
6. Augmented by \$3.3 million (GF) to increase collection staff by 34 one-year limited term positions to contact high-risk delinquent taxpayers with an offer to waive penalties and interest if back taxes are paid. This is not an amnesty program, but a settlement program to maximize revenue collection for a one-year period. This would increase GF revenues by \$125 million in 2002-03.	3,300,000	Adopted
7. Augmented by \$250,000 (GF) to continue the City Business Tax Program allowing cities to provide FTB information about local business license taxes. Cities are reimbursed for the information if it results in a 5:1 return.	250,000	Adopted
8. Augmented \$836,000 (GF) to restore 21.5 call center positions.	836,000	Adopted
9. Augmented \$414,000 (GF) to restore 5.2 counter service positions at 5 district offices. AB 425 deleted funding.	414,000	
10. Augmented by \$520,000 (GF) and 4 three-year limited term attorneys for the settlement program, which would generate an additional \$14.1 million in the budget year, \$18 million in 2003-04, and \$30 million in 2004-05.	520,000	Adopted
11. Augmented by \$2.2 million (GF) for 80 PYs for workload associated with rejecting trailer bill language that would have required mandatory e-filing of tax returns prepared by tax practitioners preparing more than 100 returns annually.	2,200,000	Adopted
12. Reduced reimbursement authority by \$397,000 to implement AB 63 (Cedillo), which allows the FTB to provide information to cities for which the cities must reimburse the associated costs.	Adopted	Adopted

Budget Bill Language

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| 1. Conference committee allows an augmentation of the FTB budget through the Control Section 27.00 process to fund the costs associated with the award and implementation of a contract for development of the California Child Support Automation System in conjunction with the Department of Child Support | Adopted |
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Senate

AB 425

Services per May Revision.

Trailer Bill Language

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|---|---------|
| 1. Requires mandatory e-filing of tax returns. Conference committee rejected this language. | Adopted |
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1760 DEPARTMENT OF GENERAL SERVICES

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|---|-------------|---------|
| 1. Approved Finance Letter to withdraw the Cal-Buy eProcurement System proposal for savings of \$12.8 million (Service Revolving Fund). | -12,754,000 | Adopted |
| 2. Reduced \$1.2 million (GF) for the California Portal augmentation proposed in the budget per May Revision. | -1,200,000 | Adopted |
| 3. Denied Finance Letter to transfer Executive IT Funds of \$1.5 million (GF) from DOIT to DGS. | -1,477,000 | Adopted |
| 4. Approved Finance Letter to augment \$3.8 million (SRF) for deferred maintenance/special repair projects in standard building rental rate buildings. | 3,800,000 | Adopted |
| 5. Approved Finance Letter to augment by \$1,498,000 (SRF) for base rental, fees, and insurance for Teale Data Center. | 1,498,000 | Adopted |
| 6. Augmented by \$4.5 million (GF) for increased security at the State Capitol. | 4,500,000 | Adopted |
| 7. Approved Finance Letter to augment by \$3.1 million (Earthquake Safety and Public Building Rehabilitation Bond Fund of 1990) to complete local seismic safety projects. | 3,100,000 | Adopted |
| 8. Approved Finance Letter to reappropriate \$777,618 (ESPRBFB) for local seismic projects. | 777,618 | Adopted |
| 9. Denied Finance Letter to reappropriate \$483,000 (GF) for San Quentin, Building 22: Modulares, working drawings. AB 425 approved Finance Letter funding. | -483,000 | |
| 10. Reduced by \$6.9 million (ESPRBFB) to delete two seismic retrofit projects located at San Quentin State Prison. | -6,880,000 | Adopted |
| 11. Approved Finance Letter to reappropriate \$6 million (ESPRBFB) for four seismic projects. | 5,952,000 | Adopted |
| 12. Approved Finance Letter to augment by \$23 million (Public Building Construction Fund) for preliminary plans, working drawings, and construction phases of the Bonderson Building renovation. | 23,024,000 | Adopted |

	Senate	AB 425
13. Approved Finance Letter to reappropriate \$1.9 million (ESPRBFB) for construction of the Recreation Building at the Yountville Veterans' Home.	1,881,000	Adopted
14. Approved Finance Letter to reappropriate \$1.9 million (PVEA) for state fleet alternative fuel infrastructure for working drawings and construction.	1,884,000	Adopted
15. AB 425 approved loan of \$10 million from the Disability Access Account to the General Fund.		-10,000,000
16. AB 425 approved loan of \$35 million from the Public School Planning, Design, and Construction Review Revolving Fund to the General Fund.		-35,000,000
17. AB 425 approved loan of \$2.7 million from the Property Acquisition Law Money Account to the General Fund.		-2,700,000
18. AB 425 deleted \$4.6 million for expansion of California Home Page.		-4,600,000

Budget Bill Language

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| 1. Deletes provisions 1 through 9 that allow DGS to augment specified budget appropriations to provide approved services to client departments. AB 425 reinstated the language. | Adopted |
| 2. AB 425 approved language requiring a repayment date of October 1, 2004 for the loans from the Disability Access Account, Property Acquisition Law Money Account, and the Public School Planning, Design, and Construction Review Revolving Fund to the General Fund. | Adopted |

Supplemental Report Language

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|---|---------|
| 1. Conference committee directs DGS to seek administrative flexibility provisions through the normal legislative process next year. | Adopted |
| 2. Conference committee provides that the department shall use risk level and then actual building occupancy to prioritize future seismic retrofit projects rather than code occupancy. | Adopted |

Trailer Bill Language

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| 1. Conference committee specifies that, for purposes of state procurement, printing is not considered a personal service contract. | Adopted |
| 2. Conference committee extends sunset date on the administrative flexibility trailer bill language for the | Adopted |

Senate

AB 425

current year by one year.

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|--|---------|---------|
| 3. Allows the state to sell, lease, or exchange the real property known as the Bay Area Research Extension Center. This language will be included in separate legislation. | Adopted | Adopted |
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1880 STATE PERSONNEL BOARD

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|--|-------------|-------------|
| 1. Amended Finance Letter to reduce funding for the Peace Officers Procedural Bill of Rights mandate to \$1,000 to reduce it to \$2,000 for net savings of \$50 million (GF). AB 425 reduced to \$1,000. | -49,998,000 | -49,999,000 |
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Budget Bill Language

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|---|---------|
| 1. Conference committee specifies that the reduced funding does not suspend the requirements mandated by statute. | Adopted |
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Trailer Bill Language

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| 1. Conference committee requires each state department to designate a staff person responsible for overseeing implementation of the responsibilities of the Dymally-Alatorre Bilingual Services Act, conduct an assessment of its capacity to serve people with limited English proficiency, and develop an implementation plan. | Adopted |
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Supplemental Report Language

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|---|---------|
| 1. Conference committee requires the SPB and DPA to report on the impact that post and bid will have on the composition of the workforce. | Adopted |
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1900 PUBLIC EMPLOYEES' RETIREMENT SYSTEM

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|--|--------------|---------|
| 1. Approved Finance Letter to withdraw the CalPERS deferral proposal for increased cost of \$495.2 million (GF), \$272.4 million (special funds), and \$136.9 million (NGC). | -767,630,000 | Adopted |
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Budget Bill Language

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| 1. Conference committee requires PERS to prepare a complete risk management plan and a contract evaluation before obligating funds for the health Care | Adopted |
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Senate

AB 425

Decision support System contract. It also requires an independent evaluation of the proposed contract for the Health Care Decision Support System.

Trailer Bill Language

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|---|---------|
| 1. Conference committee requires PERS to prepare a risk management plan and an independent evaluation of the proposed contract for the Health Care Decision Support System. | Adopted |
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1920 STATE TEACHERS' RETIREMENT SYSTEM

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|--|-------------|---------|
| 1. Approved Finance Letter to augment by \$1.5 million (TRF) for revised estimate of TDC testing and production costs. | 1,535,000 | Adopted |
| 2. Augmented by \$5.2 million (TRF) for costs necessary to develop and implement the automation components of the Defined Benefit Supplement Program. | 5,231,000 | Adopted |
| 3. Approved Finance Letter to withdraw the CalPERS deferral proposal for increased cost of \$411.7 million (GF). | 411,682,000 | Adopted |
| 4. Approved Finance Letter to adjust the state contribution for STRS benefits funding by \$18.9 million (GF) based on actual 2001 calendar year teacher payroll. | 18,856,000 | Adopted |
| 5. Approved Finance Letter to adjust the state contribution by \$23.9 million for STRS Supplemental Benefits Maintenance Account on actual 2001 calendar year teacher payroll. | 23,868,000 | Adopted |

2100 DEPARTMENT OF ALCOHOLIC BEVERAGE CONTROL

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|--|---------|---------|
| 1. Approved Finance Letter to augment by \$134,000 (ABCF) for DGS vehicle rent increase. | 134,000 | Adopted |
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2120 ALCOHOLIC BEVERAGE CONTROL APPEALS BOARD

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| 1. Approved as budgeted. |
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Senate

AB 425

2150 DEPARTMENT OF FINANCIAL INSTITUTIONS

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| 1. Approved Finance Letter to augment \$621,000 (Financial Institutions Fund) and increase 4 positions to address growth in the Credit Union industry. | 621,000 | Adopted |
| 2. Approved three positions for monitoring of predatory lending practices. | | Adopted |

Supplemental Report Language

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|--|--|---------|
| 1. Conference committee requires the department to report on the implementation of the monitoring of predatory loan practices by February 1, 2004. | | Adopted |
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2180 DEPARTMENT OF CORPORATIONS

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|---|------------|---------|
| 1. Reduced funding for the Statewide Outreach on Predatory Practices Program (STOPP) by \$8.9 million (State Corporations Fund) and 7 positions as follows: | -8,909,000 | Adopted |
| <ul style="list-style-type: none"> • Deleted \$8.1 million for public outreach and media campaign. • Deleted the \$851,000 augmentation for the call center. • Approved the Outreach and Education Office as budgeted at \$371,000. • Approved the increase in enforcement staff as budgeted. | | |
| 2. Increased the loan from the SCF to the GF by \$9 million. | -9,000,000 | Adopted |
| 3. Approved Finance Letter to transfer settlement funds of \$9 million from SCF and reduce the loan proposed in the budget from \$20 million to \$11 million. | | Adopted |

Trailer Bill Language

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|--|--|---------|
| 1. Conference committee clarifies authority to transfer settlement funds from SCF to GF. | | Adopted |
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Supplemental Report Language

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|---|--|---------|
| 1. Conference committee requires the department to report on the implementation of STOPP by February 1, 2004. | | Adopted |
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Senate

AB 425

2240 DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT

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|--|------------|--------------------|
| 1. Increased the transfer from the Child Care and Development Facilities Guaranty Fund to the GF from \$.14 million to \$2.7 million. | -1,322,000 | Adopted |
| 2. Approved Finance Letter to increase loan from the Mobilehome Park Purchase Fund to the GF from \$6 million to \$8.1 million. | -2,100,000 | Adopted |
| 3. Approved Finance Letter to reduce funding for Farmworker Housing Grants and Loans by reducing transfer from GF to Farmworker Housing Grant Fund by \$8.5 million assuming the passage of the November Housing Bond. AB 425 changed proviso so that the transfer will be reduced by \$8.5 million if the housing bonds are approved in November. | -8,500,000 | Adopted as amended |
| 4. Approved Finance Letter to transfer unused Farmworker Housing Grants and Loans from 2000 budget act to GF to Farmworker Housing Grant Fund by \$3 million with amendment to make the transfer contingent upon passage of November Housing Bond. AB 425 changed proviso so that the transfer will be reduced by \$2,999,000 if the housing bonds are approved in November. | -3,000,000 | -1,000 |
| 5. Approved Finance Letter to reduce transfer from GF to Emergency Housing and Assistance Fund by \$6 million. AB 425 changed proviso so that the transfer will be reduced by \$8.5 million if the housing bonds are approved in November. | -6,000,000 | Adopted |
| 6. Approved Finance Letter to transfer unused CalHome Funds from 2000 budget act to GF from the Self-Help Housing Fund by \$5.6 million contingent upon passage of November Housing Bond. AB 425 changed proviso so that the transfer will be reduced by \$5,599,000 if the housing bonds are approved in November. | -5,600,000 | -1,000 |
| 7. Approved Finance Letter to transfer unused Interregional Planning Partnership grants to GF from the Housing Rehabilitation Loan Fund by \$1.3 million. | -1,290,000 | Adopted |
| 8. Denied Finance Letter to reduce the reimbursement of state-mandated costs for Regional Housing Needs from \$868,000 (GF) to \$1,000 (GF). AB 425 approved Finance Letter. | 867,000 | |

Budget Bill Language

- | | |
|--|------------|
| 1. Allows use of the Control Section 27.00 process to address any deficiency arising from the transfer from the Child Care and Development Facilities Guaranty Fund. | Adopted |
| 2. Provides that reduced transfer from GF to Farmworker Housing Grant Fund of \$8.5 million is contingent upon | Adopted as |

Senate

AB 425

- | | |
|---|--------------------|
| passage of November Housing Bond. AB 425 changed proviso to reduce transfer if housing bond is approved. | amended |
| 3. Provides that transfer from the Farmworker Housing Grant Fund to GF of \$3 million is contingent upon passage of November Housing Bond. AB 425 changed proviso to reduce transfer if housing bond is approved. | Adopted as amended |
| 4. Amends language providing that any remaining unencumbered funds transferred to the Farmworker Housing Fund may also be used for the general Joe Serna Farmworker Housing Grant Program are contingent upon passage of the November Housing Bond. | Adopted as amended |
| 5. Provide that transfer from the Self-Help Housing Fund to GF of \$5.6 million is contingent upon passage of November Housing Bond. AB 425 changed proviso to reduce transfer if housing bond is approved. | Adopted as amended |
| 6. Amend language providing that any remaining unencumbered funds transferred to the Self-Help Housing Fund may also be used for the general CalHome program are contingent upon passage of the November Housing Bond. AB 425 changed proviso to reduce transfer if housing bond is approved. | Adopted as amended |

2310 OFFICE OF REAL ESTATE APPRAISERS

1. Approved as budgeted.

2320 DEPARTMENT OF REAL ESTATE

- | | | |
|--|------------|---------|
| 1. Approved Finance Letter to increase the loan from the Real Estate Commissioner's Fund to the GF from \$9.9 million to \$10.9 million. | -1,000,000 | Adopted |
|--|------------|---------|

Supplemental Report Language

- | | |
|--|---------|
| 1. Conference committee requires the department to report on the implementation of the monitoring of predatory loan practices by February 1, 2004. | Adopted |
|--|---------|

2780 STEPHEN P. TEALE DATA CENTER

- | | | |
|---|-----------|---------|
| 1. Approved Finance Letter to augment by \$2.6 million (TDC Revolving Fund) to increase mainframe capacity. | 2,628,000 | Adopted |
|---|-----------|---------|

Senate

AB 425

2920 TECHNOLOGY, TRADE, AND COMMERCE AGENCY

1. Approved Finance Letter to reduce by \$1 million (GF) for support of the Office of Military Base Reuse and Retention (OMBRR).	-1,000,000	-900,000
2. Approved Finance Letter to eliminate local grants of \$500,000 (GF) for OMBRR.	-500,000	Adopted
3. Denied Finance Letter to reduce by \$2.6 million (GF) to eliminate regional office program. AB 425 eliminated funding.	2,556,000	
4. Approved Finance Letter to eliminate funding of \$89,000(GF) for the Regulation Review Unit.	-89,000	Adopted
5. Approved Finance Letter to eliminate support costs of \$77,000 (GF) for Space Industry Development Program.	-77,000	Adopted
6. Approved Finance Letter to eliminate Space Industry Development grants of \$923,000 (GF).	-923,000	Adopted
7. Approved Finance Letter to reduce California Film Commission by \$300,000 (GF)	-300,000	Adopted
8. Approved Finance Letter to reduce Office of Foreign Investment by \$239,000 (GF).	-239,000	Adopted
9. Approved Finance Letter to reduce Office of Export Development by \$400,000 (GF).	-400,000	Adopted
10. Approved Finance Letter to reduce Marketing and Communication Division by \$627,000 (GF).	-627,000	Adopted
11. Approved Finance Letter to reduce Division of Science, Technology, and Innovation by \$803,000 (GF).	-803,000	Adopted
12. Approved Finance Letter to eliminate the Office of Permit Assistance for savings of \$226,000 (GF).	-226,000	Adopted
13. Approved Finance Letter to eliminate support for the high-level management of the Economic Development Division for savings of \$448,000 (GF).	-448,000	Adopted
14. Approved Finance Letter to reduce Business Development Program by \$538,000 (GF).	-538,000	Adopted
15. Augmented by \$1 million (GF) to establish a new small business financial development corporation in southeast Los Angeles. AB 425 provided \$500,000 rather than \$1 million.	1,000,000	500,000
16. Augment by \$149,000 (GF) to open a contractual regional trade office in Yerevan in the Republic of Armenia. AB 425 eliminated funding.	149,000	
17. Approved Finance Letter to make an unallocated reduction to foreign trade office of \$2 million (GF)	-2,000,000	Adopted

	Senate	AB 425
leaving remaining funding of \$4.1 million.		
18. Amended Finance Letter to eliminate Next Generation Internet Centers by \$1 million (GF) to instead reduce them by \$999,000 (GF). AB 425 eliminated \$1 million.	-999,000	-1,000,000
19. Denied Finance Letter to eliminate Rural e-Commerce grants of \$1 million (GF). AB 425 eliminated the funding.	1,000,000	
20. Denied Finance Letter to reduce Biomass grants from \$6 million to \$4 million for savings of \$2 million (GF) and instead reduced them by \$100,000 (GF). AB 425 eliminated \$2 million (GF).	-100,000	-2,000,000
21. Amended Finance Letter to reduce Manufacturing Technology Program by \$2.7 million (GF) and instead reduced by \$2.4 million (GF). AB 425 reduced by a total of \$2.7 million.	-2,400,000	-2,700,000
22. Approved Finance Letter to loan \$17 million from the Petroleum Underground Storage Tank Financing Account to the GF.	-17,000,000	Adopted
23. Denied Finance Letter to transfer \$8.4 million from the Rural Economic Development Infrastructure Revenue Bond Fund to the GF and instead loaned the same amount to the GF.		
24. Denied Finance Letter to transfer \$8 million from the Infrastructure Bank Fund to the GF. AB 425 approved the transfer of \$8 million.	8,000,000	
25. Approved Finance Letter to transfer \$1 million from the Petroleum Financing Collection Account to the GF.	-1,000,000	Adopted
26. Reduced transfer from the Export Finance Fund to GF by \$4 million. AB 425 approved the transfer.	4,000,000	
27. Amended budget to transfer \$8 million from the Small Business Expansion Fund (SBEF) to the GF and instead made it a loan.		Adopted
28. Amended Finance Letter to transfer an addition \$2.7 million from SBEF to the GF and instead loaned the same amount to the GF.		Adopted
29. AB 425 augmented \$150,000 (GF) for evaluation of Foreign Trade Offices.		150,000
30. AB 425 reduced CalTIP grants by \$3 million (GF).		-3,000,000
31. AB 425 provided a \$10 million unallocated reduction.		-10,000,000

Budget Bill Language

1. Provides that \$200,000 of the amount appropriated in this item shall be used to fund the California Economic	Adopted
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Senate

AB 425

Strategy Panel.

- | | | |
|----|---|---------|
| 2. | Requires notification to JLBC 30 days prior to implementing the unallocated reductions to the foreign trade offices. | Adopted |
| 3. | Provides that the loan from the SBEF to GF is an asset that may be encumbered for loan guarantees in the same manner as moneys appropriated and deposited in the fund for that purpose. | Adopted |
| 4. | Adopts provisions regarding repayment of loan to Rural Economic Development Infrastructure Revolving Bond Fund. | Adopted |

Trailer Bill Language

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|----|--|---------|
| 1. | Requires the Economic Research and Strategic Initiative Division to produce an annual report on strategic planning. | Adopted |
| 2. | Denies language to eliminate regional offices. | |
| 3. | Provides that the loan from the Petroleum Underground Storage Tank Financing Account to the GF be repaid with interest and that the programs supported by this funds are not adversely affected by the loan. | Adopted |

5240 DEPARTMENT OF CORRECTIONS

- | | | | |
|----|--|-----------|---------|
| 1. | Deleted funding for the Delano II prison and cancelled project. Conference approved funding for Delano II. | -957,000 | |
| 2. | Approved augmentation (GF) to reinstate contracts for five private Community Correctional Facilities. | 2,824,000 | Adopted |
| 3. | Approved \$22.4 million (GF) on a one-time basis to address workers' compensation shortfall. | Adopted | Adopted |
| 4. | Approved \$5.1 million (GF) associated with the costs for activation of 99 positions from Institution Vacancy Plans. | Adopted | Adopted |
| 5. | Approved reappropriation of \$7.2 million (GF) for the mandated patient information management system at Pelican Bay State Prison. | Adopted | Adopted |
| 6. | Approved reduction of \$3.2 million (GF) from CDC's legal settlement authority. | Adopted | Adopted |
| 7. | Approved reappropriation of \$11.7 million (GF) for electromechanical security door operating system. | Adopted | Adopted |
| 8. | Approved Finance letter augmentation (GF) to upgrade telecommunications hardware and software in eight institutions. The Conference committee deleted funding. | 1,729,000 | |

	Senate	AB 425
9. Approved Finance letter increase (GF) for the replacement and upgrade of the hardware and software that support the Distributed Data Processing System.	2,545,000	Adopted
10. Approved Finance letter augmentation (GF) for the replacement of hardware and software that support the applications of the Interim Parolee Tracking System.	972,000	Adopted
11. Approved Finance letter to provide a system upgrade for the Standard Automated Preventive Maintenance System (GF). The Conference committee deleted funding.	984,000	
12. Deleted federal funds for the Offender Employment Continuum program. The Conference committee approved federal Workforce Investment Act (WIA) funds for this purpose as budgeted.	-1,500,000	
13. Approved reauthorization of 425 CCRC beds at a rate up to \$56 per day (GF). The Conference committee did not approve reauthorization of these beds.	1,428,000	
14. Approved a reduction of \$6.1 million (GF) in estimated cost avoidance to CDC due to the funding of the Drug Court Partnership Program in the DADP budget. Savings in the CDC budget due to avoided prison days. The Conference committee approved transfer of \$8.9 million (GF) from CDC to DADP for aftercare substance abuse treatment programs. CDC's reimbursement funding was increased by a corresponding amount.	-6,100,000	-8,900,000
15. Approved a reduction of \$125,000 (GF) related to the augmentation of funding in BPT for the foreign prisoner transfer program. Savings in the CDC budget due to avoided prison days for foreign born nationals.	-125,000	Adopted
16. Approved termination of the Folsom Community Correctional Facility contract (GF). The Conference committee did not terminate the Folsom CCF contract.	1,047,000	
17. Approved Finance letter to implement mandates for Armstrong v. Davis lawsuit (GF).	1,068,000	Adopted
18. Approved Finance letter to reduce additional hospital security at Patton State Hospital due to estimated population reductions (GF).	-427,000	Adopted
19. Approved Finance letter and further reduced Civil Addict program to send it to conference (GF).	-10,001,000	-10,000,000
20. Approved Finance letter to provide 2 for 1 work credits at fire camps and approved reduction (GF).	-16,700,000	Adopted
21. Approved Finance letter to eliminate monthly range training program (GF).	-3,609,000	Adopted
22. Approved Finance letter to augment parole local assistance (GF).	9,227,000	Adopted

	Senate	AB 425
23. Approved certain reductions for parole services (GF). The Conference committee approved further reductions in parole services.	-4,252,000	-9,208,000
24. Approved Finance letter to provide funding (GF) for increased costs of utilities.	17,979,000	Adopted
25. Approved augmentation of \$22.4 million (GF) on a one-time basis for workers' compensation.	Adopted	Adopted
26. Approved Finance letter to provide additional funding for the estimated workers' compensation shortfall (GF).	42,125,000	Adopted
27. Approved Finance letter augmentation (GF) on a two-year limited-term basis for the cost of filling vacant posted supervisor positions.	9,751,000	Adopted
28. Approved Finance letter augmentation (GF) for identified operational costs resulting from the Unit 6 bargaining contract.	4,699,000	Adopted
29. Approved Finance letter to provide resources for mental health crisis beds, PSU beds, and increased nursing care (GF).	8,141,000	Adopted
30. Approved Finance letter for increased inmate medical services pursuant to the Plata settlement and funding for a Hepatitis C program at Pelican Bay State Prison, and increased amount by \$1,000 to send to conference (GF). The Conference committee approved the Finance letter proposal.	21,942,000	21,941,000
31. Approved Finance letter for increases to reimburse the Department of Mental health for recruitment and retention bonuses for various classifications at Salinas Valley State Prison (GF).	1,638,000	Adopted
32. Reduced Finance letter for proposed increase of \$115.5 million (GF) for contract medical services.	80,133,000	Adopted
33. Approved Finance letter to delay the activation of Salinas Valley Psychiatric Unit (GF).	-1,450,000	Adopted
34. Approved Finance letter to delay activation of 200 substance abuse beds at the Correctional Rehabilitation Center - Norco (GF).	-2,500,000	Adopted
35. The Conference committee approved a reduction in the DMH contract due to revised mental health bed need projections.		-5,699,000
36. The Conference committee approved the transfer of \$2.8 million related to insurance costs for the Delano II project from the General Fund to General Obligation Bonds.		Adopted

Senate

AB 425

Budget Bill Language

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|--|---------|----------|
| 1. Allows CDC to administratively establish certain abolished vacant positions upon review by DOF and notification of the Legislature. | Adopted | Adopted |
| 2. Increases the reimbursement rate for CCRCs up for bid in the budget year up to \$56 per day. | Adopted | Rejected |
| 3. Provides criteria for additional Community Correctional Re-entry Center funding. | Adopted | Rejected |
| 4. Directs CDC to continue the contracts on an interim basis with five Community Correctional Facilities whose contracts expire at the end of the current year and to competitively bid new contracts. | Adopted | Adopted |

Supplemental Report Language

- | | | |
|---|---------|---------|
| 1. Directs CDC to work with US INS on developing procedures for transferring foreign born parolees. | Adopted | Adopted |
| 2. Directs CDC to develop a plan for the alternative uses for the Northern California Women's Facility. | Adopted | Adopted |

Trailer Bill Language

- | | | |
|--|---------|----------|
| 1. Cancels Delano II construction project. | Adopted | Rejected |
| 2. Caps the number of inmates in the Civil Addict program. | Adopted | Adopted |
| 3. Authorizes increased work credits for inmates working in fire camps. Delays implementation to January 2003. | Adopted | Adopted |
| 4. Authorizes peace officer status for certain correctional officer employees related to the Salinas Valley Psychiatric unit operated by the Department of Mental health in Salinas Valley State Prison. | Adopted | Adopted |

5430 BOARD OF CORRECTIONS

- | | | |
|---|-------------|---------|
| 1. Rejected reduction and proposed trailer bill language related to ending the board's role in Juvenile Hall Suitability Review assessments. The Conference committee approved the reduction as an unallocated cut. | 144,000 | |
| 2. Approved Finance letter reverting prior year fund for LA CLEAR and reducing the General Fund appropriation. Funding remains \$3 million for the budget year. | -2,000,000 | Adopted |
| 3. Approved Finance letter to revert fourth year of funding for the Juvenile Challenge Grant II program (GF). | -12,300,000 | Adopted |

	Senate	AB 425
4. Rejected Finance letter to revert \$17.3 million (GF) for the Mentally Ill Offender Crime Reduction Grant Program. The Conference committee approved reversion of \$17.3 million for this program, leaving one-year of funding remaining for the final two years of the program.		-17,300,000
5. Approved transfer of \$42 million in federal funds and \$2.4 million (GF) from OCJP for various juvenile justice programs. The Conference committee rejected the transfer.	Adopted	Rejected

5440 BOARD OF PRISON TERMS

1. Approved an augmentation for the Foreign Prisoner Transfer program (GF).	125,000	Adopted
2. Provided half-year funding for the BPT.	-15,192,000	Adopted

Budget Bill Language

1. Requires BPT to report to the Legislature regarding implementation of SB 778 prior to receipt of full year funding.	Adopted	Adopted
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Supplemental Report Language

1. Directs BPT to report on monthly on the status of the backlog of appeals.	Adopted	Adopted
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5450 YOUTHFUL OFFENDER PAROLE BOARD

1. Provided half-year funding pending legislation to eliminate YOPB and transfer those responsibilities to the committing juvenile court.	-1,645,000	Adopted
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5460 YOUTH AUTHORITY

1. Approved \$1 million for increased energy costs (GF).	Adopted	Adopted
2. Approved \$725,000 to establish a Program Compliance Unit (GF).	Adopted	Adopted
3. Reduced funding and directed CYA to develop consolidation plan for closing 2 facilities. The Conference committee approved TBL to develop a	-1,000,000	

	Senate	AB 425
consolidation plan, which would close one institution in the next two years.		
4. Rejected proposal to reduce Prop 98 funding by \$2.6 million due to the estimated ward population decrease. The Conference committee approved proposal to reduce Prop 98 funding due to ward population decrease and approved additional funding for ward education from the Prop 98 reversion account.	2,602,000	2,600,000
5. Approved Finance letter and augmented funding by \$1,000 for the CYA's proposed reorganization of its mental health delivery system (GF). The Conference committee approved Finance letter proposal.	1,026,000	1,025,000
6. Rejected Finance letter requesting \$3.5 million (GF) related to the conditions of confinement class action lawsuit. The Conference committee approved reduced funding for the staff and resources to defend the lawsuit.		1,660,000
7. Restored \$3.5 million of a \$5 million reduction to parole services. Conference approved Finance letter reduction.	-1,500,000	-5,000,000
8. Rejected Finance letter proposed reduction to incorporate an inflation adjustment to the sliding scale fees charged to counties for wards committed to the CYA. This proposal would decrease General Fund by \$7.6 million and increase reimbursements from the counties by a similar amount.		
9. Approved Finance letter related to ward and parolee population adjustments. Changes include an increase of \$5.4 million from the General Fund and a reduction of \$7.6 million from reimbursements.	5,446,000	Adopted

Supplemental Report Language

1. Directs CYA to perform an analysis of student-teacher staffing levels and assumptions for special education needs.	Adopted	Adopted
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5480 COMMISSION ON CORRECTIONAL PEACE OFFICERS STANDARDS AND TRAINING

1. Approved as budgeted.

8260 ARTS COUNCIL

1. Amended Finance Letter to reduce support budget by \$562,000 (GF) rather than \$1,125,000 (GF) for net	563,000	Adopted
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	Senate	AB 425
increase of \$563,000 (GF).		
2. Amended Finance Letter to reduce local grants by \$7 million (GF) rather than \$14.4 million (GF).	7,387,000	Adopted
3. Approved Finance Letter to eliminate funding of \$759,000 (GF) for the California Challenge Program.		Adopted
4. Transferred \$1 million (GF) of the \$2 million appropriated for the Cultural Institutions Program (Tools for Tolerance) to the Organizational Support Grant Program. AB 425 deleted this transfer.		
5. Reappropriated \$162,000 (GF) for the Bonita Historical Museum. AB 425 deleted this reappropriation.		
6. AB 425 provided an unallocated reduction of \$2 million (GF) to Organization Grants Support program.		-2,000,000

Budget Bill Language

1. Allows Arts Council flexibility to allocate local grants upon notice to JLBC and DOF.	Adopted	Adopted
2. Provides that the local assistance grants shall be used to fund grant programs that assist the arts education of inner-city children who are economically disadvantaged and to support rural art programs.	Adopted	Adopted
3. Denies Finance Letter request to delete language specifying that \$1.9 million in local grants is for the Multicultural Arts Development program.		

8320 PUBLIC EMPLOYMENT RELATIONS BOARD

1. Approved as budgeted.

8380 DEPARTMENT OF PERSONNEL ADMINISTRATION

1. Reduced by \$156,000 (GF) and 3 positions for increased workload resulting from collective bargaining.	-156,000	Adopted
2. Denied Finance Letter to augment by \$149,000(GF) and 1 position for labor relations officer.	-149,000	Adopted
3. Approved Finance Letter to reduce by \$1.9 million (GF) for lower than anticipated enrollment in the Rural Health Care Equity Program.	-1,905,000	Adopted

8385 CALIFORNIA CITIZENS COMPENSATION COMMISSION

1. Approved as budgeted.

8500 BOARD OF CHIROPRACTIC EXAMINERS

1. Approved as budgeted.

8510 OSTEOPATHIC MEDICAL BOARD

1. Approved as budgeted.

8530 BOARD OF PILOT COMMISSIONERS

1. Approved as budgeted.

8620 FAIR POLITICAL PRACTICES COMMISSION

1. Approved as budgeted.

8640 POLITICAL REFORM ACT OF 1974

1. Approved as budgeted.

8780 MILTON MARKS "LITTLE HOOVER" COMMISSION

- | | | |
|--|---------|---------|
| 1. Approved Finance Letter to augment GF for increased staffing. | 130,000 | Adopted |
|--|---------|---------|

8800 MEMBERSHIP IN INTERSTATE ORGANIZATIONS

- | | |
|--|----------|
| 1. AB 425 reduced funding by 50 percent or \$931,000 (GF) for all memberships. | -931,000 |
|--|----------|

Senate

AB 425

8820 COMMISSION ON THE STATUS OF WOMEN

1. Approved as budgeted.

8855 BUREAU OF STATE AUDITS

1. Approved as budgeted.

Trailer Bill Language

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|---|---------|---------|
| <ol style="list-style-type: none"> 1. Directs JLAC to authorize an audit of the claims submitted to the Controller for reimbursement of the Peace Officer Procedural Bill of Rights. | Adopted | Adopted |
|---|---------|---------|

8860 DEPARTMENT OF FINANCE

- | | |
|--|---------|
| <ol style="list-style-type: none"> 1. Approved Finance Letter to augment by \$1.4 million from reimbursements and add 29 positions to perform audits required by Propositions 12, 13, 14, 40, and 42. | Adopted |
|--|---------|

Trailer Bill Language

- | | |
|---|---------|
| <ol style="list-style-type: none"> 1. Provides DOF discretion to audit the allocations of gasoline money pursuant to Proposition 42 rather than require an annual audit. | Adopted |
|---|---------|

8885 COMMISSION ON STATE MANDATES

1. Approved as budgeted.

8910 OFFICE OF ADMINISTRATIVE LAW

- | | | |
|---|--------|---------|
| <ol style="list-style-type: none"> 1. Approved Finance Letter to augment by \$79,000 (GF) for the full-year cost of the current lease. | 79,000 | Adopted |
|---|--------|---------|

8940 MILITARY DEPARTMENT

1. Deleted \$6 million (federal funds) for bridge security

	Senate	AB 425
mission per May Revision.		
2. Approved Finance Letter to reduce Army and Air National Guard, Civil support, and the Military Reserve Program by \$900,000 (GF).	-900,000	Adopted
3. Deleted by \$3 million, (GF) for the Turning Point Academy.	-2,993,000	Adopted
4. Amended Finance Letter to reduce by \$611,000 (GF) rather than \$900,000 for California Cadet Corps and Youth Programs because the Subcommittee had already eliminated funding for the Turning Point Academy.	-611,000	Adopted
5. Approved Finance Letter to augment by \$225,000 (GF) for the airfield electric distribution system at Los Alamitos.	225,000	Adopted
6. Approved Finance Letter to change funding of \$1.6 million from the GF to the Armory Fund for the acquisition phase of the Lancaster Armory and defer funding for the working drawings until 2003-04.	-1,585,000	Adopted
7. Approved Finance Letter to defer funding of \$855,000 (GF for statewide security lighting.	-855,000	Adopted

Supplemental Report Language

1. Requires the Military Department to report on the status of their negotiations with the City of Santa Ana on relocation of the Santa Ana Armory.	Adopted	Adopted
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9100 TAX RELIEF

1. Amended Finance Letter to reduce subventions for Open Space subventions by \$38 million (GF) rather than eliminate them for savings of \$39 million (GF). AB 425 fully funded Open Space subventions.	-38,000,000	
2. Amended Finance Letter to reduce by \$1.1 million (GF) to reduce the amount appropriated to local agencies to \$2,000 rather than \$1,000 for reimbursement of three state-mandated programs. AB 425 funded \$1,000 per mandate.	-1,056,000	-1,059,000

Budget Bill Language

1. Conference committee specifies that the reduced reimbursement for mandates does not suspend the mandate.		Adopted
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Senate

AB 425

9210 LOCAL GOVERNMENT FINANCING

- | | | |
|---|--------------|------------|
| 1. Approved Finance Letter to reduce funding for High Technology Grants for Local Law Enforcement from \$35.4 million to \$18.5 million for savings of \$16.9 million (GF). | -16,900,000 | Adopted |
| 2. Approved Finance Letter to reduce funding by \$111.3 million (GF) for COPS/Juvenile Justice Prevention Programs, but denied trailer bill language that would eliminate the Juvenile Justice Prevention Program. AB 425 restored funding. | -111,300,000 | Adopted |
| 3. AB 425 provided an appropriation of \$51.5 million (GF) for county property tax administration program to replace the continuous appropriation. | | |
| 4. Amended Finance Letter to reduce by \$6.4 million (GF) the state reimbursement for local mandates to \$2,000 rather than \$1,000 for three mandated programs. AB 425 provided \$1,000 per mandate. | -6,392,000 | -6,395,000 |

Budget Bill Language

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|---|---------|---------|
| 1. Provides that the funds allocated for High Technology Grants shall be expended or encumbered no later than June 30 of the following fiscal year. | Adopted | Adopted |
| 2. Specifies that the reduced reimbursement for mandates does not suspend the mandate. | Adopted | Adopted |
| 3. AB 425 provided minimum grant of \$15,000 per local agency for high technology grants. | | Adopted |

Trailer Bill Language

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|--|--|---------|
| 1. Deny Finance Letter to codify the provisions of the one-time grants for High Technology Grants for Local Law Enforcement. | | |
| 2. AB 1768 provides for ERAF transfer of \$75 million for redevelopment agencies for the 2002-03 fiscal year. | | Adopted |

9620 PAYMENT OF INTEREST ON GENERAL FUND LOANS

- | | | |
|--|--|-------------|
| 1. Approved as budgeted. AB 425 reduced estimate of payments by \$70 million (GF). | | -70,000,000 |
|--|--|-------------|

Senate

AB 425

9625 INTEREST PAYMENTS TO FEDERAL GOVERNMENT

1. Approved as budgeted.

9650 HEALTH AND DENTAL BENEFITS FOR ANNUITANTS

- | | | |
|---|-------------|---------|
| 1. Approved Finance Letter to augment by \$23 million (GF) to reflect increased expenditures for health benefit premiums and dental benefit expenditures. | 22,981,000 | Adopted |
| 2. Approved Finance Letter to revert the unencumbered balance of \$27.6 million (GF). | -27,600,000 | Adopted |

Budget Bill Language

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|--|---------|---------|
| 1. Amends to reflect revised contribution rates. | Adopted | Adopted |
|--|---------|---------|

9800 EMPLOYEE COMPENSATION AUGMENTATION

- | | | |
|--|------------|---------|
| 1. Approved Finance Letter to augment by \$54.5 million (GF), \$23.1 million (special funds) and \$11.9 million (nongovernmental cost funds) for increases in the employer's share of health benefit and other benefits. | 89,450,000 | Adopted |
|--|------------|---------|

9840 AUGMENTATION FOR CONTINGENCIES OR EMERGENCIES

1. Approved as budgeted.

9860 UNALLOCATED CAPITAL OUTLAY

1. Approved as budgeted.

CONTROL SECTIONS**3.25 DEFERRAL OF DISBURSEMENTS**

- | | |
|--|---------|
| 1. AB 425 provides that disbursement of \$187 million for Medi-Cal, \$100 million for Home-to-School Transportation, \$232.6 million for COPS and Juvenile Justice, \$20 million for Internal Interest Costs, \$48 million from the Housing Rehabilitation Fund, and \$24 million from the Colorado River Management Account | Adopted |
|--|---------|

Senate

AB 425

shall not be disbursed until after January 30, 2003 unless ordered by the Director of Finance.

3.60 CONTRIBUTION TO PUBLIC EMPLOYEES' RETIREMENT BENEFITS

- | | |
|--|---------|
| 1. Revised to reflect new state retirement contribution rates. The costs are reflected in Item 9800. | Adopted |
|--|---------|

3.80 PREMIUM OFFSET FOR EMPLOYER-PAID LIFE INSURANCE

- | | |
|---|---------|
| 1. Added control section to allow a one-time offset in employer-paid life insurance premiums because of the demutualization of MetLife. | Adopted |
|---|---------|

4.20 CONTRIBUTION TO PUBLIC EMPLOYEES' CONTINGENCY RESERVE FUND

- | | | |
|--|------------|---------|
| 1. Approved Finance Letter to use the Contingency Reserve Fund to offset a one-time reduction in the administrative fee charged to state and local employers for health premiums. This results in savings of \$6.6 million (\$2.8 million GF). | -6,600,000 | Adopted |
|--|------------|---------|

4.40 E-BUSINESS CENTER

- | | |
|--|---------|
| 1. Approved Finance Letter to expand the capabilities of the e-Business Center by eliminating e-Marketplace projects and adding four new projects. | Adopted |
|--|---------|

8.00 ANTITERRORISM FEDERAL REIMBURSEMENTS

- | | |
|---|---------|
| 1. Required DOF to notify JLBC and the chairs of the fiscal committees prior to approval of allocations of any unanticipated federal funds for anti-terrorism costs to abate expenditure already made or proposed to be made from GF rather than after. | Adopted |
|---|---------|

9.20 ADMINISTRATIVE COSTS ASSOCIATED WITH THE ACQUISITION OF PROPERTY

1. Approved as budgeted.

9.50 MINOR CAPITAL OUTLAY PROJECTS

1. Approved as budgeted.

11.10 REPORTING OF STATEWIDE SOFTWARE LICENSE AGREEMENTS

1. Amended Finance Letter to add control section to provide reporting criteria for statewide software license agreement to remove the \$1.5 million reporting threshold. AB 425 reinstated a threshold of \$1 million.

11.80 MANDATE APPROPRIATION FOR PRIOR YEAR DEFICIENCIES

- | | | |
|---|-------------|---------|
| 1. Approved Finance Letter to delete the \$30 million (GF) for mandate deficiencies in the current and budget year. | -60,000,000 | Adopted |
| 2. Approved Finance Letter to revert \$17.8 million (GF) in balances from prior year appropriations. | -17,800,000 | Adopted |

31.50 ELIMINATION OF VACANT POSITIONS

- | | | |
|---|--|---------|
| 1. Established new control section to report on the elimination of vacant positions by September 1, 2002. | | Adopted |
|---|--|---------|

31.60 VACANT POSITION REDUCTIONS

- | | | |
|--|-------------|--------------|
| 1. Amended Finance Letter to establish new control section to eliminate 6,000 positions statewide to require notification to JLBC 30 days prior to effective date of the elimination of the positions. AB 425 amended this section to provide that the Director of Finance is authorized to unallot and revert savings attributable to this section to be reflected and identified in the Governor's 2003-04 budget. This unallotment shall be at least \$300 million from all funds. The Director of Finance shall transmit a listing of abolished positions by | -20,100,000 | -300,000,000 |
|--|-------------|--------------|

October 1, 2002.

31.70 AUGMENTATION AUTHORITY RELATED TO VACANT POSITION REDUCTIONS

1. AB 425 authorized the Director of Finance to augment any appropriation by an amount to ensure that a department has an appropriate level of appropriations after any unallotment of funds pursuant to Control Section 31.60. The total augmentation may not exceed 50 percent of the unallotment provided in C.S. 31.60. Adopted

32.50 BUDGET TRIGGER AND REVENUE STABILIZATION

1. Declared the intent to adopt a budget trigger and requested the convening of a taskforce to develop a strategy for improving revenue stability. AB 425 deleted this control section. 1,000,000,000

CONTROL SECTIONS APPROVED AS BUDGETED

- 1.00 Budget Act Citation.
- 1.50 Intent and Format.
- 2.00 Availability of Appropriations.
- 3.00 Defines Purposes of Appropriations.
- 3.70 Hiring Freeze Reversion.
- 4.80 State Public Works Board Interim Financing.
- 6.00 Project Alterations Limits.
- 8.50 Federal Funds Receipts.
- 8.51 Federal Funds Accounts.
- 9.20 Administrative Costs Associated with the Acquisition of Property.
- 9.30 Federal Levy of State Funds.
- 9.50 Minor Capital Outlay Projects.
- 10.00 Statewide Utility Savings.
- 11.00 EDP/Information Technology Reporting Requirements.
- 11.52 Transfer of Unencumbered Balance of Various Funds to the General Fund.
- 12.00 State Appropriations Limit.
- 12.10 Brown vs. U.S. Department of Health and Human Services Settlement Payments.

- 12.30 Special Fund for Economic Uncertainties.
- 13.00 Legislative Counsel Bureau.
- 14.00 Special Fund Loans Between Boards of the Department of Consumer Affairs.
- 24.30 Transfer from State School Building Aid Fund to the General Fund.
- 26.00 Intraschedule Transfers.
- 27.00 Deficiency Reporting Requirements.
- 28.00 Program Change Notification.
- 28.50 Agency Reimbursement Payments.
- 29.00 Personnel-Year Estimates of Governor's Budget, May Revision & FCB.
- 30.00 Continuous Appropriations.
- 31.00 Budget Act Administrative Procedures for Salaries and Wages.
- 32.00 Prohibits Excess Expenditures.
- 33.00 Item Veto Severability.
- 34.00 Constitutional Severability.
- 36.00 Provides that Budget Act is for Usual and Current Expenses.
- 37.00 Urgency Clause.
- 99.00 Alphabetical Organization Index.
- 99.50 Numerical Control Section Index.